

**MICHIGAN COMMISSION OF AGRICULTURE**  
**Constitution Hall**  
**Atrium Level, Con-Con Conference Room**  
**525 West Allegan Street**  
**Lansing, Michigan 48933**

**MEETING MINUTES**  
**APRIL 16, 2008**

**PRESENT:**

James Byrum, Chairperson  
Dale Norton, Secretary  
Don Coe, Commission of Agriculture  
Todd Regis, Commission of Agriculture  
Don Koivisto, Director, Michigan Department of Agriculture

**ABSENT:**

Ann Jousma-Miller, Vice Chairperson (excused)

**CALL TO ORDER AND ROLL CALL**

Chairperson Byrum called the meeting of the Commission of Agriculture to order at 9:08 a.m. on Wednesday, April 16, 2008. Commissioner Dale Norton called the roll with Commissioners Byrum, Coe, Norton, Regis, and Director Koivisto present.

**APPROVAL OF AGENDA**

**MOTION: COMMISSIONER NORTON MOVED TO APPROVE THE MEETING AGENDA FOR APRIL 16, 2008. SECONDED BY COMMISSIONER REGIS. MOTION CARRIED.**

**APPROVAL OF MARCH 19, 2008, MEETING MINUTES**

**MOTION: COMMISSIONER COE MOVED TO APPROVE THE MARCH 19, 2008, MEETING MINUTES. SECONDED BY COMMISSIONER NORTON. MOTION CARRIED.**

**NEXT SCHEDULED MEETING**

The next scheduled meeting will be held on July 17, 2008, with a location change to Uncle John's Cider Mill just north of St. Johns, Michigan. It will provide an opportunity to highlight Michigan's farm market activities.

## **COMMISSIONERS' TRAVEL**

Commissioner Norton attended the Bovine TB Stakeholder meeting held at Michigan Farm Bureau on April 11, 2008.

There was no other travel submitted for approval.

**MOTION: COMMISSIONER COE MOVED TO APPROVE THE COMMISSIONERS' TRAVEL. SECONDED BY COMMISSIONER REGIS. MOTION CARRIED.**

## **COMMISSION COMMENTS:**

**Commissioner Regis** reported he took the opportunity to speak with Senator VanWoerkom about the March 19, 2008, Ag Day at the Capitol, emphasizing it was an exceptional event and a wonderful opportunity to showcase Michigan agriculture.

**Commissioner Coe** reported on March 25, 2008, he attended a Michigan Farm Bureau Agriculture Labor Workgroup meeting, during which progress was made toward aligning with the position of the National Farm Bureau, as well as that of this Commission, in the endorsement of finding a solution to Michigan's labor issues within the Immigration Reform Policy. This ongoing workgroup will continue to discuss the issues involved.

On April 7, 2008, he joined the Director and Agriculture Development Division staff for various visits. Initially, they met with two prospective energy companies. He congratulated the Agriculture Development Division, and Mike DiBernardo in particular, for their work with those companies in encouraging them to continue their operations and offering opportunities for MDA to be of assistance. Following that, they met with and toured the operations of Graceland Fruit, reviewing the progress they have made through the Julian-Stille Grant Program, which allowed them to implement new technology in their fruit processing. Their success demonstrates the importance of the Julian-Stille program.

**Commissioner Norton** attended the Bovine TB Stakeholder meeting on April 11, 2008, and feels there are some positive steps being implemented in the eradication effort. He also attended a reception honoring Dale Brown, who was a long-term swine extension specialist in his district. The Michigan Bull Test Sale occurred during the first of April; it was a very successful sale, particularly in light of the current economic conditions of the cattle industry. Sales at the Michigan Beef EXPO, which he also attended, varied dependent upon the breed.

His three trips to the veterinary clinic in the past few weeks emphasize concerns with movement of that clinic. Demand for the usage is apparent; however, movement is migrating to the treatment of equine.

Commissioner Norton attended the National Institute of Animal Agriculture meeting in Indianapolis recently, which Kevin Kirk and Dr. Steve Halstead also attended. Mr. Kirk did an excellent job representing Michigan through his presentation on Michigan's Mandatory Livestock Identification Program.

He also received an update from economist Steve Meyers, who states that approximately 25,000 pigs are being euthanized each week in certain areas of Canada. Because of the Country of Origin Labeling (COOL) requirements, packing plants are not accepting animals being brought in from other countries. From that standpoint, the implication of COOL is that producers in the U.S. have made the decision to not honor their contracts with Canadian producers for two reasons, one being economic, and the other because packing plants will not accept pigs that originate in Canada.

From a farm standpoint, his operation is considerably behind schedule. The wet and cold weather has not allowed for planting of corn, which normally would have begun by this time.

**Commissioner Byrum** reported they also are a week to ten days behind in their farm planting due to the weather this year. Because all crop planting in the U.S. could conceivably occur at the same time, spot shortages of fertilizers is anticipated and fertilizer prices continue to rise. Wheat looks surprisingly good, having come through a rather strange winter. He noted one interesting development in the dairy industry – because the use of recombinant bovine growth hormone (rbST) has been eliminated and dairies have lost roughly 10% of their production, they are now adding cows. The resultant increase in costs will be felt at the retail level.

Next Tuesday, he will be participating in a roundtable at the Commodity Futures Trade Commission, which will discuss the changes in commodity prices and circumstances affecting producers' ability to contract forward, as well as some of the price discovery and price transparency issues in the commodity markets.

The industry, particularly those in food processing, is concerned about increased regulation. He suggested MDA establish a relatively small work group to interact with the administration in other regulatory agencies and move forward in addressing the impact of regulations on the agriculture industry.

### **DIRECTOR'S REPORT**

Director Koivisto reported he and other MDA staff recently visited Peterson Farms, Graceland Fruit, and Starting Block (a kitchen incubator for small entrepreneurs). Several additional agriculture business tours have been

scheduled for the remainder of the year. He will also be visiting both the Region III (Grand Rapids) and Region V (St. Joseph) offices the first week of May.

MDA recently met with Consumers Energy; discussion focused on anaerobic digesters and their role in working with Consumers Energy as an alternative form of energy. There appears to be a good working relationship for progressing with this technology. At that same meeting, wind energy was also discussed. Because much of the land being leased is agriculture, they discussed efforts to obtain sufficient acreage to generate enough wind power to participate in the Renewable Portfolio Standards (RPS). MDA will potentially be assisting in communications to the farming community relative to wind power leases and their implications for the communities.

The Director asked Mike DiBernardo, of the Agriculture Development Division, to provide an update on the Packerland situation. Mr. DiBernardo noted MDA and the Michigan Economic Development Corporation had met with Packerland relative to the potential expansion of that facility and offered MDA's assistance wherever possible. Since the announcement that JBS SA is buying the Smithfield Beef Group (which includes Packerland), Packerland's General Manager advised that once a sale of this type has been initiated, FTC regulations prohibit the parties from engaging in further conversations of this nature. However, the General Manager assured MDA that once the sale is completed, they can once again discuss potential expansion plans.

Earth Day is April 22 and a celebration through a joint MDA-MDEQ event is being hosted in Constitution Hall. We are coordinating with the Governor's office on that event as well.

A Senate Budget Hearing is scheduled for 3:00 p.m. this afternoon, during which he will make a presentation, along with MDA's Budget Officer, Amy Epkey. Four additional weekly meetings are scheduled at which commodity group and program-specific presentations will be given.

In the infancy stage is a planning process for potential changes in the Fruit and Vegetable Inspection Program. In response to question from Commissioner Coe, Ken Rausher, Pesticide and Plant Pest Management Division Director, advised there are three different types of inspections: outgoing shipments from the state; material coming into the state; and process inspections, for which staff is utilized to inspect and grade material coming from field or orchard (graded at the processing facility). Although we have been providing the process inspections, these are not required, and it is being proposed that the processors complete these inspections in the future. Discussion ensued regarding the various issues involved in the proposed changes. MDA is currently working with the industry to identify any concerns with the proposed changes to the program.

Discussion also ensued relative to the Seed Lab operation within the department and possible changes in how we complete that work. Gordon Wenk, Acting Chief Deputy Director for MDA, reported the department is required to operate a Seed Lab and to complete testing in terms of proper analysis of seed for sale. However, this has been a long-standing budgetary issue and we will need to implement changes in that program to reflect current need and existing operations.

Director Koivisto reported the department is closely watching the proposed legislation sponsored by Representative Lee Gonzales, which would amend the Revised School Code to change Michigan's bidding threshold and purchasing procedures for school food. Also being watched is the bill introduced by Representative Barb Byrum, which would amend the Michigan Liquor Control Code to create a small distiller license.

Relative to legislative issues, Commissioner Regis reported he is hearing very positive comments from all parties in the legislative arena relative to the two representatives we have for the department in Liesl Clark and Nancy Nyquist; there is apparent admiration for the way they handle their jobs, especially with issues on which we are not the lead. This is a very nice compliment to the team we have representing MDA.

#### **DIRECTOR'S TRAVEL**

Director Koivisto has no upcoming out-of-state travel planned.

#### **PUBLIC COMMENT (AGENDA ITEMS ONLY)**

There was no public comment relative to agenda items.

#### **BOVINE TUBERCULOSIS (TB) PROGRAM UPDATE: Dr. John Tilden, Bovine TB Program Director, Dr. Mike VanderKlok, TB Eradication Coordinator, and Mr. Kevin Kirk, Dairy Industry Manager**

Dr. Tilden reported the testing in Shiawassee and Iosco circles is progressing well. Two animals from the Shiawassee circle that reacted to the testing have been purchased to allow for more comprehensive tests.

The \$3.5M in funding from USDA has been appropriated. Because of USDA budget issues, much of the \$3.5M emergency funding will actually go to maintain existing services and the commitments already made. As a result, Michigan may not see much in additional revenues coming to the state on which we would have discretionary spending authority. These implications will be communicated to the Legislature.

The 2008 Bovine TB Program priorities continue to be: prevention, wildlife mitigation, early detection, ensuring availability of indemnity, bringing livestock industry leaders into the process, and opportunities for local partnerships. A meeting will be held in Owosso tomorrow evening with the livestock industry. Meetings will also be held in Alpena on April 23 with wildlife and livestock stakeholders, as well as a public meeting in the evening at the Hillman Community Center.

### **Change In Bovine TB Zoning Order To Allow For Targeted Surveillance**

Dr. VanderKlock provided an update relative to targeted surveillance. USDA and the industry have encouraged Michigan to move from random surveillance to a targeted surveillance program for early detection in those areas where the disease has not historically been found. Working with USDA, the industry, the TB Advisory Committee, MSU, and multiple stakeholder groups, a task force was formed to develop a written proposal. The proposed program was recently approved by USDA. Implementation plans are ready, which require minor changes to the Bovine TB Zoning Order. He gave a brief overview of the program, which includes four basic principles that ensure the program is feasible, science-based, progressive, and flexible. Commissioner Byrum confirmed the MDA Director has the authority to approve the changes necessary to implement the program.

### **TB Prevention Improvements**

In an effort to improve prevention and further involve producers, a strategy has been developed that is based on the Michigan Agriculture Environmental Assurance Program (MAEAP) model. Kevin Kirk provided an update on this innovative effort being initiated in the northern area of the state. Since January, a number of meetings have been held with a group of producers and Michigan Farm Bureau to develop a tool that will assess the farm operation and identify changes needed to reduce Bovine TB risk. Within the next year, the goal is for all producers in the Modified Accredited Zone (MAZ) to complete a validation of their operation to identify what can be done to minimize the risk between wildlife and their livestock. The program will be initiated in the core MAZ area and expanded from that point. Discussion ensued relative to the various elements of the program and potential resources for administration and enforcement.

The issue of indemnification insurance was also discussed. Dr. Tilden advised that a leadership team, involving industry and the public sector, has developed a proposal for livestock indemnity insurance. Producers would contribute to the fund, and if they do their part to reduce risk, their premium would be lower for that insurance. USDA has approved the concept and supports a pilot project that could become a model for other states.

Commissioner Byrum recognized Representative Geoff Hansen, who joined the meeting at 10:20 a.m.

**MANDATORY ELECTRONIC IDENTIFICATION: Kevin Kirk, Dairy Industry Manager, Animal Industry Division**

Commissioner Byrum noted that Kevin Kirk is recognized as the national expert on animal identification and other states consult with him regularly. Mr. Kirk recently attended the National Institute for Animal Agriculture (NIAA) annual conference, at which he gave a presentation on Michigan's Livestock Identification (ID) Program, a copy of which was shared with the Commission.

The NIAA conference also included an ID Information EXPO, focusing on the plan to implement some form of animal ID in every state. Mr. Kirk shared plan documents distributed at the conference and discussed the challenges and opportunities of this plan on the national level, including several concerns relative to database compatibility. The final question was if Michigan would allow a 15-digit bangle tag to be used; he advised the group most likely not, primarily because all Michigan cattle are currently identified with an electronic tag and lacks sufficient manpower to manually read and report on every tag in every market. Other states would not have manpower to accomplish that either.

USDA Under Secretary, Bruce Knight, recently announced USDA will require the 840 Radio Frequency Identification (RFID) tag for TB disease programs. This will move the entire program toward an RFID program. Another requirement announced is that by December 2009, 70-95% of all program species need to be premise registered. Once the Farm Bill is signed, the next implementation of the 840 tags will be required so all cattle in Michigan will meet the COOL requirements. Because we have implemented a successful industry partnership program, Michigan is the driver in this effort.

**RENEWABLE FUELS COMMISSION UPDATE: Liesl Clark, Policy Advisor**

Ms. Clark provided an update on recent activities of the Renewable Fuels Commission (RFC). She reported the next RFC meeting is scheduled for May 12, 2008, at the MSU James B. Henry Center, with MSU kindly hosting that meeting. During the morning session, focus will be on the Governor's Alternative Energy Roadmap. Time will be devoted in the afternoon to task force breakout sessions to review the various recommendations.

Working with Robert Craig, Agriculture Development Division Director, Ms. Clark is covering various other opportunities related to alternative energy, including: the Governors' Ethanol Coalition; NASDA and EPA discussions on the Renewable Fuels Standard and how EPA intends to approach the Life Cycle Modeling; the North Central Bio-economy Consortium; an Alternative Energy Conference in Detroit tomorrow; and a cellulosic webinar next week.

In addition, Ms. Clark and Michelle Crook, from the Environmental Stewardship Division, will begin to cover the wind energy technology topic, which offers many synergies for the department. Ms. Crook's engineering expertise will be most beneficial as we move forward. Rich Harlow, Farmland Preservation Program Manager, has also been involved to cover aspects of wind energy development as they relate to agricultural land that is also enrolled in Farmland Preservation programs. On Monday, the Governor will be in Pigeon to visit the Harvest Wind Farm.

In response to questions from Commissioner Coe, Ms. Clark advised the RFC has attempted to limit their scope to transportation fuels and all of the potentials in that area. The RFC Web site is currently being revised and should be completed by the end of next week. She will add the Commissioners to the RFC email notification list.

Ms. Clark noted the RFC is cognizant of needing to ensure research is keeping pace with actual activities and all factors are considered when studying the feasibility of additional plants. There is strong support for the alternative fuel production industry in Michigan; and the RFC is exploring how Michigan can maintain a cutting edge in research and development for advanced fuels.

Commissioner Coe cited some statistics gathered from an alternative energy task force in this four-county area – in that area, the average household income is \$50,000, and energy expenses (whether transportation or heating) have risen from 8% to 16% of that total household budget in last 5 years; and for a family earning \$10,000, that figure has risen to 48%. Because these unsustainable levels will no doubt result in considerable political pressure, agriculture needs to be identified as part of the solution.

In response to a question from Commissioner Byrum, Gordon Wenk provided an update on the Michigan Climate Action Council (MCAC). Established by the Governor, the MCAC continues to consider policy changes needed in Michigan related to climate change, and in particular, to control carbon production. The various working groups have been examining the role of agriculture, waste, transportation, energy supply, transmission issues, and various types of issues related to energy in its various forms and their impact on carbon production and carbon sequestration. The next meeting is scheduled April 25 in Southeast Michigan and a final report is expected by the end of this year. At the request of Commissioner Byrum, Mr. Wenk will facilitate Commissioners being added to the MCAC information list.



**FARM TO SCHOOL PURCHASING: Kathy Fedder, Director, Food and Dairy Division, and Mary Ann Chartrand, Director, Grants Coordination and School Support, Michigan Department of Education**

Ms. Fedder introduced Mary Ann Chartrand, Director of Grants Coordination and School Support for the Michigan Department of Education (DOE), and Marla Moss, who works with Ms. Chartrand and assisted with this topic as part of the Michigan Food Policy Council. In response to the Commission's questions during their March 19 meeting, Ms. Fedder summarized information obtained relative to the Farm to School Purchasing program. She noted that school purchasing is governed by both Federal and State law. The Small Purchase Threshold, initiated into State law within the Michigan School Code, increases according to the Consumer Price Index annually and is currently at \$19,650. In the meantime, Federal law established a Small Purchase Threshold of \$100,000. The significance of the Small Purchase Threshold relates to procurement mechanisms, or the bidding process; a less formal process is implemented for anything up to the State's \$19,650 threshold, which includes multiple items. Ms. Chartrand noted the State's threshold was established to require Boards of Education to approve purchases over a certain amount to provide better accountability.

In meetings with various stakeholders and partners over the past three months, there is agreement that potential value for increasing the State's threshold limit for purchasing does exist. As an example of what can be accomplished, the Traverse City area has developed a formal bid process and effective distribution systems have been implemented. In the meantime, Representative Gonzales has introduced legislation amending the School Code to the Federal limit. MDA recognizes the various concerns involved, as well as the potential opportunities, and needs to continue working with partners to coordinate efforts on this issue.

Ms. Chartrand noted DOE is working to clarify the various components involved with a potential increase in the Small Purchase Threshold. She discussed the policies and guidelines being developed to protect the School Districts from potential law suits around the bidding process, as well as the educational programs being implemented to help districts understand menu planning to improve the process. Commissioner Byrum requested DOE make those policies and guidelines available to MDA and the industry once they are finalized.

Representative Hansen mentioned this would be a unique opportunity for the State of Michigan as it progresses from a processing state to a fresh market state, offering us an opportunity to showcase all of the products we actually produce.

Chairman Byrum recognized the Resolution before the Commission today in support of the recommendation of the Michigan Food Policy Council to

encourage the Michigan Legislature to enact legislation to increase the Small Purchase Threshold limit for food purchases in the Michigan School Code and to move forward with aggressively pursuing and promoting local procurement.

**MOTION: COMMISSIONER COE MOVED THE RESOLUTION TO ENCOURAGE THE MICHIGAN LEGISLATURE TO ENACT LEGISLATION TO INCREASE THE SMALL PURCHASE THRESHOLD LIMIT FOR FOOD PURCHASES IN THE MICHIGAN SCHOOL CODE BE ADOPTED. COMMISSIONER REGIS SECONDED. MOTION CARRIED.**

Director Koivisto commended MDA for their efforts in working to resolve the various issues involved with this program.

**INTERNATIONAL MARKETING PROGRAM: Robert Craig, Director, Agriculture Development Division, and Jamie Zmitko-Somers, International Marketing Manager, Agriculture Development Division**

Mr. Craig introduced Jamie Zmitko-Somers who manages the International Marketing Program for the department. Ms. Zmitko-Somers presented an International Program update, including the accomplishments and achievements of the program during 2007-2008 and activities planned for the balance of 2008. The International Marketing Program organizes and implements activities that assist Michigan food and agricultural producers and processors with entering new export markets and expanding existing markets in order to increase companies' exports. She noted that in 2006, Michigan exports totaled \$1,161,200,000, with 13,800 Michigan jobs being supported by exports, which is an increase of 1,000 over just two years ago. Mr. Craig noted impressive growth is evident in Michigan export activities and additional funding would support increased marketing efforts of Michigan products and increase overall sales of Michigan products.

**SELECT MICHIGAN PROGRAM: Robert Craig, Director, Agriculture Development Division, and Christine Lietzau and Jeanne Lipe, Select Michigan Program, Agriculture Development Division**

Mr. Craig introduced Christine Lietzau and Jeanne Lipe who, along with Melinda Curtis in southeast Michigan, coordinate the MDA Select Michigan Program. Ms. Lietzau presented an overview of the Select Michigan Program, noting it is a Granholm Administration Consumer Awareness and Education effort. The program focuses on domestic marketing in Michigan and was designed to increase the purchases and consumption of Michigan grown and/or processed fruits and vegetables. She reviewed specific program goals and highlighted the 2007 activity elements and their impressive results for the year. Select Michigan Programs provide very powerful mechanisms to encourage consumers to buy, bringing increased profits to both the stores and the producers through higher

sales volumes and price premiums to growers. She also provided an update of the 2008 activities planned for the program, noting several new initiatives that will be implemented.

Commissioner Coe congratulated MDA for coordinating a most successful program. In light of shrinking resources, he suggested it may be advantageous to restructure the program to develop partnerships and collaborative efforts with other State agencies, in particular, the Michigan Economic Development Corporation's Pure Michigan program. Discussion ensued relative to the current proposed legislation that will benefit the Pure Michigan program and the potential of gaining some of that funding for MDA through merging some of the Select Michigan activities with the Pure Michigan program. To take advantage of potential resources, Ms. Lietzau felt Select Michigan could be coordinated with Pure Michigan and will pursue opportunities to combine and compliment one another in a collaborative effort.

Ms. Lipe distributed advanced copies of the *2008 Michigan Farm Market and Agriculture Tourism Directory*, which will be available at Michigan Welcome Centers and Farm Bureau Insurance agencies across the state by the end of next week. The 2008 directory was made possible this year by a partnership among the Michigan Farm Marketing & Agri-Tourism Association (MI-FMAT), Farm Bureau Insurance, Michigan Farm Bureau, and MDA. The directory will also be available in a searchable format on MI-FMAT's Web site and through links on other partners' Web sites.

**COMMISSION POLICY MANUAL ANNUAL REVIEW PROCESS: Gordon Wenk, Acting Chief Deputy Director**

Mr. Wenk reported several revisions were proposed during the annual review of the Commission Policy Manual. As a result, it was suggested a subcommittee of the Commission be appointed to complete a more thorough review of those policies.

**MOTION: COMMISSIONER COE MOVED TO APPOINT COMMISSIONERS REGIS AND NORTON TO A SUBCOMMITTEE OF THE MICHIGAN COMMISSION OF AGRICULTURE TO PROVIDE A COMPREHENSIVE REVIEW OF THE COMMISSION POLICY MANUAL. COMMISSIONER REGIS SECONDED. MOTION CARRIED.**

**RIGHT TO FARM LAW: James Johnson, Acting Director, Environmental Stewardship**

Mr. Johnson provided an overview of the Right To Farm (RTF) law, noting it is a very complex area. The original intent of the 1981 law was to provide for affirmative defense for nuisance complaints at farm operations, primarily dealing with production agricultural issues. Since 1987, a number of Generally Accepted

Agriculture Management Practices (GAAMPs) have been developed to address the different aspects of farming issues. The RTF Act has been a tremendous tool and has made a significant difference in the farming community. One of the major differences between Michigan's act and those of other states is that within Michigan's RTF Act, a complainant may take the farm operation to court at any point of time during the complaint process.

The department's role within the RTF Act is to make a judgment on the farm to determine whether or not the farm's operation is in conformance with GAAMPs. In addition, we have over 125 commodities in Michigan – to create a GAAMP that describes the production system for every one of those would be an overwhelming task. In the past, if no GAAMP exists, staff determines if there is another source that provides information to identify whether that particular practice is generally accepted.

Mr. Johnson emphasized that, because of conflicting determinations by the courts hearing RTF cases, considerable turmoil exists within the program. He reviewed details of several specific examples where inconsistent decisions have been made by the courts. RTF is a powerful tool, but as agriculture continues to expand, there is concern that pressure from the court system will have negative affects on the RTF program and production agriculture overall. Discussion ensued relative to the various cases and decisions by the courts, as well as their implications for a growing agriculture industry in Michigan.

Additionally, Mr. Johnson reported the multi-interest Michigan Farm Market Task Force has been meeting to identify practices, ideas, and concerns related to the Farm Market and Agriculture Tourism segment of the agriculture industry. Once appropriate definitions are established, they will address issues specific to the potential application of RTF in those areas.

**GASOLINE STATION ENFORCEMENT: Steve Reh, Director, Laboratory Division, and Mike Pinagel, Director, Consumer Protection Section, Laboratory Division**

Mr. Reh gave an overview of the Motor Fuels Quality and Quantity programs. Both the inspection and testing programs reside within the Laboratory Division and the primary purpose of these programs in the fuels areas is to ensure the motor fuels that propel Michigan's citizens meet quality standards and the quantity dispensed is accurate – that Michigan consumers receive a fair return for what they pay for at the pump and that Michigan businesses compete on a level playing field. Many separate and distinct activities make up the overall daily responsibilities of the staff, which are delineated in the Motor Fuels Quality and Weights and Measures Act. Primary focus has been related to quality of gasoline; however, in 2006, the Motor Fuels Quality Act was amended to add diesel, bio-diesel, bio-diesel blends, and hydrogen fuels to the responsibilities of

the department. To date, no funding has been provided to purchase testing equipment and to add the necessary staff to upgrade the testing laboratory.

Mr. Pinagel provided a brief overview of the specific activities and accomplishments of the Motor Fuels Quality and Quantity programs. During 2007, the most gasoline pumps were inspected since 1997, with a 99% compliance rate for accurate measure. The increased focus on inspection of gasoline stations has brought the desired results; industry is paying attention and more routine maintenance is being performed. Discussion ensued regarding complaints, which are being received at a lower level this year.

Currently, the program is committing a large majority of staff to a project in southeast Michigan to ensure we conduct inspections of all gasoline stations in the City of Detroit and metropolitan area that haven't been inspected during the past year. This project has a two-fold purpose: 1) include those stations that foster confidence with the people in southeast Michigan; and 2) implement new device software to improve efficiency in data accuracy.

Gasoline quality compliance rates are over 88.9% this year. Due to the prices of liquefied petroleum gas (LPG) and fuel oil, we have also been tracking for three years the compliance of large deliveries of fuel oil and LPG. Compliance rates have increased on those devices – to upwards of 90% across the board.

Although we focus on gasoline stations (with staff commitment of 80-85% toward those inspections) staff responsibilities are very wide, especially in the Weights and Measures area. Nonetheless, work at gasoline stations is delivering results and we will continue that effort.

Commissioner Regis inquired relative to the future of bio-diesel quality testing capabilities. Mr. Pinagel reported we are currently waiting for the standards to be developed; however, MDA requires funding to improve laboratory capacity to include the 13 new tests required to ensure the quality of bio-diesel fuel. Steve Reh confirmed they have requested capitol outlay funding of \$2M, with an ongoing \$800,000 per year to implement inspections and laboratory staff to handle the samples to be tested. Currently, quantity issues as related to bio-diesel fuel are being handled.

In response to question from Commissioner Norton, Mr. Pinagel noted Agriculture does not have regulatory authority over fuel pricing. Price gouging complaints are handled by the Attorney General's office and can be reported to the Governor's Constituent Services Office or online through the Homeland Security website.

## **COMMISSIONER ISSUES**

There were no Commissioner issues to be discussed.

## **PUBLIC COMMENT**

Mr. E. J. Brown, from the Michigan Association of Fairs and Exhibitions, reported there will be two state fairs and 85 local/county fairs held in Michigan this year. In addition, 25 racing fairs are included in that number. He noted that to date in 2008, they have conducted eight workshops in cooperation with MDA Animal Industry Division, MSU, and Michigan Farm Bureau, which focused on livestock exhibitions and reducing the risks at various livestock events across the state. A synopsis from these workshops will be produced and integrated into individual community emergency management plans.

Mr. Brown distributed information relative to the new Board of Directors and a flyer inviting the Commission to join the Michigan Association of Fairs and Exhibitions "Legislative Day at the Capitol" to be held on Wednesday, April 23, 2008, from 11:00 a.m. to 2:00 p.m. at the corner of Allegan and Capitol.

Commissioner Byrum congratulated the Association on its outstanding animal health initiatives.

## **ADJOURN**

**MOTION: COMMISSIONER REGIS MOVED TO ADJOURN THE MEETING. COMMISSIONER COE SECONDED. MOTION CARRIED.**

The meeting was adjourned at 12:28 p.m.

### **Attachments:**

- A) *Agenda*
- B) *Agriculture Commission Meeting Minutes March 19, 2008*
- C) *Legislative Status – March 2008*
- D) *Change in Bovine TB Zoning Order to Allow for Targeted Surveillance*
- E) *Michigan's Mandatory Livestock Identification Program*
- F) *USDA National Animal Identification System Business Plan*
- G) *International Marketing Program Update*
- H) *Select Michigan Program Update*
- I) *Resolution encouraging legislation to increase the Small Purchase Threshold limit for food purchases in the Michigan School Code*
- J) *Michigan Association of Fairs & Exhibitions Update*